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The Conference Board

Economic and Business Environment Program

MONTHLY UPDATE TO

International Economic Scoreboard

A Monthly Report from The Conference Board — **April 1989**

SUMMARY

Worldwide, the business cycle expansion keeps rolling along. Based on the leading indexes, future prospects have strengthened slightly.

Regionally, the familiar pattern of the past year and a half continues: North America and Europe are still looking for solid but unspectacular growth, but the economic advance in the Pacific Region appears to be headed for hot times.

Nationally, Canada and Australia are the only soft spots. Although the Canadian economy has continued to advance at a respectable pace, its leading index has remained essentially unchanged for a year. Australia shows a nearly identical pattern, except that the leading index has been flat for only about half a year. Elsewhere, the growth rates of the leaders range from 3 percent in the U.K. to a rousing 13 percent in Japan.

Interpretation: There has been a good bit of talk for some time now, both here in the United States and around the industrial world, that prosperity's day's are numbered. Well, we agree in the sense that there's no reason to think the business cycle is dead. But although recession will come again to every country, there's nothing in the leading indicators to suggest that a downturn is near at hand in any of the 10 nations covered in this report.

Summary Of Growth Rates, Ten Industrial Countries

	Ten-year Growth Rate	Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*				
	1976-86	6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month	Current Reading on the Cycle	Latest Month Covered
	annual rates, percent								
Ten countries	3	5	5	5	6	5	8	Expansion continuing	Jan.
9 countries excl. U.S.	3	6	5	5	9	7	9	Expansion continuing	Jan.
North America (2)	3	5	4	5	1	3	6	Expansion continuing	Jan.
Europe (4)	2	5	4	5	4	5	7	Expansion continuing	Jan.
Pacific Region (4)	4	7	7	6	15	10	12	Expansion continuing, leaders strong	Jan.
United States	3	4	4	6	3	3	4	Expansion continuing	Feb.
Canada	3	5	4	4	1	0	1	Expansion continuing, leaders weak	Jan.
West Germany	2	5	4	4	5	5	7	Expansion continuing	Feb./Jan.
France	2	7	6	7	6	9	8	Expansion continuing	Jan./Feb.
United Kingdom	2	5	6	5	2	2	3	Expansion continuing	Jan.
Italy	2	7	7	2	2	3	5	Expansion continuing	Oct./Jan.
Japan	4	7	6	5	16	11	13	Expansion continuing, leaders strong	Jan.
Australia	3	8	11	10	8	4	2	Expansion continuing	Jan.
Taiwan, R.O.C.	8	8	10	7	17	14	9	Expansion continuing	Feb.
Korea, R.O.K.	7	8	6	8	13	10	8	Expansion continuing	Feb.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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INDEXES, WORLDWIDE AND BY REGION, 1987-88

		10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (4)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
May	87	117	128	118	127	117	128	111	116	129	144
June	87	118	130	119	130	117	131	111	117	131	152
July	87	119	132	120	131	118	131	112	118	132	155
Aug.	87	119	133	120	134	118	131	112	118	133	162
Sept.	87	120	134	121	134	119	132	112	118	134	162
Oct.	87	121	133	121	134	120	131	113	118	134	162
Nov.	87	121	132	122	132	120	130	113	117	135	159
Dec.	87	122	132	123	132	121	131	114	117	136	158
Jan.	88	122	132	123	132	121	131	115	118	137	158
Feb.	88	123	132	125	132	122	132	115	118	140	157
Mar.	88	124	134	125	135	122	132	116	119	140	162
Apr.	88	124	135	125	136	123	132	116	119	139	167
May	88	124	136	125	138	123	131	116	120	139	171
June	88	125	138	126	140	124	134	117	120	142	173
July	88	125	138	127	140	124	133	118	121	142	175
Aug.	88	126	139	127	142	124	134	118	121	142	177
Sept.	88	126	138	128	141	124	133	118	122	144	176
Oct.	88	127	139	128	141	125	134	118	122	144	175
Nov.	88	128	139	130	142	125	134	120	123	145	176
Dec.	88	128	141	130	143	126	136	120	123	146	180
Jan.	89	129	142	130	145	127	137	120	125	146	181

10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
Growth Rates, Percent									
Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
4	11	3	14	4	8	4	4	3	29
4	14	4	17	4	11	4	5	4	37
5	14	5	17	5	10	4	5	6	37
5	15	5	19	5	9	4	5	6	42
5	13	5	17	5	8	4	4	7	36
6	10	6	13	6	6	5	3	7	28
6	7	6	9	6	4	5	1	7	20
6	5	6	7	6	3	5	1	8	14
6	4	6	5	5	3	6	2	8	10
7	4	8	4	6	3	6	2	10	6
7	4	7	6	6	3	6	3	10	10
6	5	6	7	5	2	5	2	7	13
5	5	5	8	5	0	5	3	6	16
6	7	6	9	5	4	6	4	8	16
5	6	6	9	5	3	5	4	7	15
5	7	6	9	4	3	5	4	6	16
5	5	6	8	4	1	5	4	7	12
5	5	5	7	4	3	4	5	7	10
5	5	6	7	4	3	6	5	7	10
5	7	6	8	4	4	5	5	7	12
5	8	5	9	5	6	5	7	8	12
Ten Year Annual Growth Rate, Percent									
3	3	3	3	3	3	2	2	4	4

INDEXES, TEN COUNTRIES, 1987-89

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.		Korea, R.O.K.	
		Indexes, 1980 = 100																			
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
May	87	116	129	122	121	109	114	116	120	108	116	108	116	126	144	122	120	165	181	180	183
June	87	117	132	122	120	110	115	116	120	109	116	108	116	128	153	123	120	166	182	182	187
July	87	118	132	122	121	110	116	117	121	110	118	108	116	129	157	124	121	168	184	183	189
Aug.	87	118	132	123	121	111	117	117	121	110	117	107	114	130	165	124	122	169	187	181	182
Sept.	87	118	133	124	124	111	117	118	123	111	117	108	115	131	165	125	123	171	193	187	197
Oct.	87	120	132	125	122	111	117	119	122	112	117	109	115	132	164	125	123	171	194	187	189
Nov.	87	120	131	126	123	111	116	120	122	112	116	109	114	133	161	124	122	171	191	191	195
Dec.	87	121	132	126	123	112	116	120	122	112	116	110	114	134	160	127	123	171	193	196	198
Jan.	88	120	132	127	125	112	117	121	122	113	117	111	114	134	158	127	122	170	192	199	202
Feb.	88	121	133	127	125	112	118	122	123	114	117	112	115	137	158	128	123	174	197	203	201
Mar.	88	122	133	128	126	113	118	123	124	114	117	113	116	137	163	130	125	172	201	203	205
Apr.	88	122	133	128	125	112	118	123	123	115	117	113	115	137	169	128	126	172	202	199	201
May	88	122	132	128	125	113	119	124	125	115	118	113	116	136	174	128	128	174	205	198	203
June	88	123	135	129	126	114	119	125	127	115	118	114	116	139	176	131	129	175	206	200	208
July	88	123	133	129	125	114	121	125	127	116	118	115	116	139	178	132	129	177	209	199	209
Aug.	88	124	135	130	124	115	121	126	127	116	118	114	117	139	180	132	131	180	215	203	212
Sept.	88	124	134	130	125	115	121	127	129	117	118	113	117	140	178	136	131	181	217	204	209
Oct.	88	125	135	130	125	115	121	127	130	118	118	113	117	141	178	136	129	180	218	206	212
Nov.	88	125	135	131	125	115	122	129	131	119	120		116	142	178	136	131	184	219	206	216
Dec.	88	125	137	131	126	116	123	129	131	119	119		118	143	182	138	129	184	218	206	220
Jan.	89	126	138	132	126	116	124	129	133	119	120		119	143	184	139	129	185	219	209	222
Feb.	89	127	138			117			133									185	220	211	219
Growth Rates, Percent																					
May	87	4	8	6	6	3	3	5	6	5	6	2	2	1	33	4	10	13	16	13	13
June	87	4	11	6	5	3	4	6	6	5	5	2	3	3	42	6	8	12	15	13	16
July	87	5	10	6	6	3	6	6	6	6	7	1	2	5	43	7	9	12	14	12	15
Aug.	87	5	9	6	5	4	6	5	6	6	4	0	−1	5	50	6	9	12	16	8	5
Sept.	87	5	8	6	8	3	5	6	7	5	3	1	0	6	40	7	10	12	20	13	21
Oct.	87	6	7	7	5	3	5	6	4	6	2	3	0	6	32	5	8	10	18	11	9
Nov.	87	5	4	7	6	4	2	6	3	6	0	3	−1	7	22	4	5	8	13	13	14
Dec.	87	6	3	7	5	4	2	7	3	6	0	3	−1	7	16	7	5	6	13	16	14
Jan.	88	5	3	7	6	3	3	7	3	7	2	6	−2	8	10	6	4	4	9	18	16
Feb.	88	6	3	6	5	4	3	7	4	6	1	6	−1	10	6	7	4	8	12	19	13
Mar.	88	6	3	6	5	4	3	7	5	6	2	7	1	10	10	9	5	4	14	16	15
Apr.	88	6	1	5	4	3	3	7	3	6	0	7	0	7	14	5	7	4	12	10	8
May	88	5	0	5	4	3	4	7	4	6	2	6	1	6	17	4	8	4	14	7	9
June	88	5	4	5	4	4	4	7	7	5	2	7	1	8	17	7	9	5	12	7	12
July	88	5	1	5	1	3	5	7	6	5	2	7	2	7	16	8	8	6	13	5	11
Aug.	88	4	3	4	1	5	5	7	6	4	2	5	3	6	16	7	10	8	17	8	13
Sept.	88	4	1	4	1	4	4	8	8	5	1	3	3	6	13	11	8	8	16	6	7
Oct.	88	4	3	4	0	3	5	6	8	6	2	2	3	6	11	11	4	7	15	7	8
Nov.	88	4	3	4	0	4	4	8	9	7	4		3	7	10	8	6	10	14	6	10
Dec.	88	4	5	4	1	4	5	7	8	6	2		4	7	13	10	3	8	11	4	12
Jan.	89	5	6	4	1	4	7	7	9	5	3		5	5	13	10	2	9	10	7	13
Jan.	89	6	4			4			8									7	9	8	8
Ten Year Annual Growth Rate, Percent																					
1976-86		**3**	**3**	**3**	**3**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**4**	**4**	**3**	**3**	**8**	**8**	**7**	**7**